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IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

No. 602

CARON CORPORATION,
Petitioner,
against
R. K. O. RADIO PICTURES, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE APPELLATE DIVISION OF THE SUPREME COURT OF THE STATE OF NEW YORK, FIRST DEPARTMENT, AND BRIEF IN SUPPORT THEREOF

JOSEPH H. CHOATE, JR.,
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PETITION FOR WRIT OF CERTIORARI

To the Honorable, the Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States:

Your petitioner, CARON CORPORATION, respectfully submits its petition for a Writ of Certiorari to review the decision of the Appellate Division of the Supreme Court of the State of New York, First Department, affirming the final judgment of the Supreme Court of the State of New York, in and for the County of New York.

History of the Case

The petitioner's action against respondent is for an injunction restraining an unauthorized use by respondent of petitioner's trade-marks registered in the United States Patent Office under the Act of February 20, 1905, namely:

Trade-mark	*Number*	*Registered*
CARON	164,476	February 20, 1923
FLEURS DE ROCAILLE	311,439	March 20, 1934
Pictorial trade-mark	318,041	October 16, 1934

as also petitioner's design patents registered in the United States Patent Office Numbers 88,067, 1,918,243 and 2,020,095 covering petitioner's "Fleurs de Rocaille" bottle.

Respondent's unauthorized use of said trade-marks and design patents consists of its use in a motion picture of a pictorial representation of petitioner's "Fleurs de Rocaille" package showing petitioner's trade-marks and design patents in a manner detrimental to petitioner, after obtaining a dummy of said bottle and box from petitioner for a totally different purpose and by representations which amounted to fraud. Petitioner delivered to respondent said dummy of its said box and bottle having thereon said trade-marks and thus easily identifiable, pursuant to an offer by respondent which petitioner accepted by shipping a set of so-called dummies as requested in respondent's offer. Under the terms of said offer the said articles were to be used by respondent to the mutual advantage of petitioner and respondent and in adorning the sets of scenery utilized by respondent in the making of motion picture scenes depicting luxurious interiors for the purpose of enhancing the appearance of luxury and refinement of such interiors so as to constitute publicity valuable to petitioner for its perfume in harmony with petitioner's own advertising of the same.

Upon respondent's motion, made solely upon the third amended complaint and constituting an admission of all the facts alleged in said complaint, a final judgment was entered in the Supreme Court of the State of New York in and for the County of New York dismissing petitioner's

third amended complaint, wherein petitioner prayed for an injunction restraining said unauthorized use of its trademarks and design patents, upon the ground that it failed to state a cause of action in equity for an injunction.

From said judgment petitioner appealed to the Appellate Division of the Supreme Court of the State of New York, First Department, hereinafter referred to as Appellate Division. That Court unanimously affirmed the said judgment. Under the statutes of the State of New York, a party cannot appeal to the Court of Appeals of the State of New York, the only Court in the State higher than the Appellate Division, from a unanimous affirmance of a judgment by the Appellate Division, unless leave to appeal is granted by either the Appellate Division or the Court of Appeals of the State of New York (*New York Civil Practice Act*, Sections 588, 589 and 592). Petitioner's motion in the Appellate Division for leave to appeal to the Court of Appeals, which was duly and timely made, was denied and its motion to the Court of Appeals of the State of New York for leave to appeal to that Court, which was also duly and timely made after the denial of its said motion in the Appellate Division, was denied by the Court of Appeals.

The Appellate Division is, therefore, the highest Court in the State of New York to which petitioner is allowed by the statutes of the State of New York to appeal the said final judgment dismissing its complaint.

The judgment of the Appellate Division unanimously affirming the judgment dismissing the complaint, was made and entered May 22, 1942 (R. p. 83). Petitioner's motion to the Court of Appeals was denied by the order of that Court made and entered October 8, 1942 (R. p. 101-102).

Said judgment was a final judgment in all respects, notwithstanding that the order dismissing the third amended

complaint, which order was the basis upon which the judgment was entered, granted leave to petitioner to amend its complaint. The said order granted leave to serve an amended complaint setting up a cause of action at law for actual and ascertainable damages; but the complaint expressly alleges (and the truth of the allegations is, of course, admitted by the motion) that the actual damages cannot be ascertained or proved. Said order and the final judgment finally disposed of petitioner's cause of action in equity for an injunction (R. p. 7-9) the only cause of action which the petitioner has.

Summary Statement of Matter Involved

This case presents the refusal of the Courts of the State of New York to grant a remedy provided for by the Act of Congress of February 20, 1905, U. S. C. Title 15, Sections 81-109, as amended, commonly referred to as the United States Trade-Mark Act of 1905, namely the right of the owner of a trade-mark registered in the United States Patent Office to obtain an injunction to "prevent the violation of any right of" such owner in respect to a trade-mark registered in the United States Patent Office.

Petitioner is the owner of the said trade-marks and the good-will appurtenant thereto as also the said United States design patents covering the bottle and box in which the perfume is sold and on which the said registered trade-marks appear (R. p. 14-15).

At great expense, through advertising, said box and bottle and petitioner's trade-marks have become a widely recognized symbol of said perfume "Fleurs de Rocaille" as a luxury product of the highest quality and reputation by the elite of women users (R. p. 15).

With knowledge of petitioner's rights in said box and bottle and the said trade-marks and good-will appurtenant thereto, in breach of the agreement under which it obtained petitioner's box and bottle, and without authority from petitioner, respondent, after obtaining a set of dummies from plaintiff by fraudulent representations, used one of them, namely the bottle and box in question in the making of a scene in a motion picture depicting a squalid interior in a shack in which two depraved persons, namely a common harlot and her mother, an ex-harlot, a hag in appearance, figure, the daughter making a gift of petitioner's package to her mother in the presence of the daughter's husband, a confirmed drunkard, and also of the daughter's two children. Such use of petitioner's trade-marked product and good-will appurtenant thereto in said motion picture is exclusively to the advantage of respondent and to the detriment of petitioner (R. p. 18-19).

The scene in which petitioner's trade-marked product is shown is such as to elicit the disapproval of many persons and the showing of said screen play was forbidden by the police authorities of at least one great city, namely Detroit, Michigan, and showing thereof was refused by the Radio City Music Hall, one of the best-known motion picture theatres in New York City because of the nature of the scene in which petitioner's package of "Fleurs de Rocaille" perfume is used (R. p. 20-21).

The acts complained of were calculated and likely to give the general public attending motion pictures, the impression that petitioner had consented to the use made of such package in the scene in question and might have done so in consideration of some pecuniary gain, and by implication that petitioner had made itself a party to the presentation of said scene (R. p. 21).

Respondent has made, is making and threatens to continue to make use of petitioner's trade-marks in a manner wholly unauthorized by petitioner, exclusively for respondent's benefit to the wilful injury of petitioner's valuable good-will to which said trade-marks are appurtenant; this constitutes wilful and unlawful appropriation of petitioner's property, trade-marks and good-will (R. p. 21).

Petitioner has no adequate remedy at law; the extent of injury thereby is incapable of ascertainment since it is manifestly impossible for petitioner to ascertain how many actual and potential users of petitioner's goods attend the showing of the motion picture in question; and unless the showing of petitioner's box and bottle by respondent is enjoined, respondent will continue showing the same, throughout this country and foreign countries, to petitioner's further injury, which is likewise incapable of ascertainment (R. p. 22).

Jurisdiction

Jurisdiction to review the aforesaid judgment is granted by U. S. C. Title 28, Sec. 344(b) (Section 237(b) of the Judicial Code), which provides, in part, as follows:

> "(b) It shall be competent for the Supreme Court, by certiorari, to require that there be certified to it for review and determination, with the same power and authority and with like effect as if brought up by appeal, any cause wherein a final judgment or decree has been rendered or passed by the highest court of a State in which a decision could be had * * * where any title, right, privilege, or immunity is specially set up or claimed by either party under * * * any * * * statute of * * * the United States; * * *"

The order of the Court of Appeals denying leave to appeal, dated and entered October 8, 1942, appears at pages 101 and 102 of the record.

Opinions Below

The Appellate Division's affirmance was without opinion (R. p. 88, 96). The opinion of the Supreme Court at Special Term dismissing the third amended complaint is not officially reported and is printed at pages 7 to 9 in the record. The opinions of that Court dismissing the second amended complaint, dismissing the first amended complaint and denying petitioner's motion for a preliminary injunction are printed in the record at pages 75-78, 55-57, and 32-37, respectively.

The Question Presented

> Whether an owner of a trade-mark registered in the United States Patent Office under the United States Trade-Mark Act of 1905 suing in equity in a State Court may enjoin an unauthorized use of such mark detrimental to such owner where such use involves no trade competition in the ordinary sense.

This question was properly raised in the pleadings (R. p. 13-25) passed upon by the State Courts (R. p. 8, 35, 55-56 and 77) and again raised on petitioner's motions before the Appellate Division and the Court of Appeals for leave to appeal to the Court of Appeals (R. p. 84-85, 88-89, 94-97).

Reasons for Granting Petition

The grounds upon which the Writ of Certiorari is asked are:

A. The decisions of the State Courts herein are in conflict with the decisions of this Court and the clear provisions of the United States Trade-Mark Act of 1905.

The affirmance by the Appellate Division finally decides, so far as the State Courts can determine the question, that use of a registered trade-mark, for the benefit of the user, without the consent of the owner, cannot be enjoined by the owner when the use does not constitute unfair competition or an attempt "to dispose of the user's product as being that of the" owner. The holding is unequivocal that the owner of such a trade-mark cannot deny its use to others at will, or when he deems a particular use disadvantageous to him, or even when such use is, as the allegations of the third amended complaint herein amply suffice to show, actually disadvantageous to him, but only when the use will unfairly compete, or deceive purchasers as to the origin of goods.

The petitioner respectfully submits that this is not the law but is contrary both to the decisions of this Court and to the Federal statute. In *Old Dearborn* v. *Seagram,* 299 U. S. 183 this Court explicitly held that a trade-mark owner was entitled to enjoin use made without his consent, for the user's own benefit, under conditions presenting no possible aspect of unfair competition, passing-off, or deceit of purchasers. That use was the sale, without the consent of the trade-mark owner, of trade-marked goods, as such, at prices below those established under the Illinois Fair

Trade Act. This decision, we submit, establishes that without the consent of the trade-mark owner, no other person, not even a buyer of the trade-marked goods, can use the mark for his own benefit, and that equity will prevent unauthorized use, even when there is no element of unfair competition or deception.

The decision sought to be reviewed is equally contrary to Federal statute (Trade-Mark Act of 1905, 15 U. S. C. Sec. 99) which explicitly entitles "the owner of a trade-mark registered" under the Act to an injunction "according to the course and principles of equity to prevent the violation of any right of" the owner.

B. The question presented is of substantial and growing importance; it involves an important point of law which should be settled by this Court.

The particular unauthorized use of a trade-mark here in question is perhaps a novel form of trade-mark piracy but it presents a problem which will necessarily arise with increasing frequency. Motion pictures and television employ and depict innumerable articles of commerce. The trade-marks on these, when shown, are shown at the desire and for the purposes of the exhibitor, not of the owner of the mark. These uses may be beneficial or harmful to the owner. They may help in, or conflict with his advertising and promotion. Either anyone may thus make use of trade-marks (not involving deceit or passing-off) as the New York Court has held, or the rights of the trade-mark owner protected by the Trade-Mark Act include the right to prevent any use of the mark to which he has not consented. It would seem that a wide and increasing public interest requires a decision of this question by this Court.

Conclusion

WHEREFORE petitioner prays that a Writ of Certiorari may be issued out and under the seal of this Court directed to the Appellate Division of the Supreme Court of the State of New York, First Department, to the end that the judgment of the Appellate Division may be reviewed and reversed by this Court, and for such other and further relief as the Court may deem just and proper.

New York, December 23, 1942.

CARON CORPORATION,
Petitioner.

By JOSEPH H. CHOATE, JR.,
WILLIAM BYRD,
MAURICE LÉON,
Counsel for Petitioner.

IN THE

Supreme Court of the United States

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CARON CORPORATION,
against *Petitioner,*
R. K. O. RADIO PICTURES, INC.,
Respondent.
No.

BRIEF IN SUPPORT OF PETITION

There are no questions of fact involved. The decision below is based solely upon petitioner's complaint.

The matter involved is stated in the petition.

The opinions below and the jurisdiction of this Court are fully set forth in the petition.

Argument

A. Petitioner has alleged a cause of action as holder of Trade-Marks registered under the Act of Congress of February 20, 1905 and is entitled to the benefits of the remedies granted by that Act in a State Court to the same extent as in a Federal Court.

The provision of the Act of Congress of February 20, 1905, U. S. C. Title 15, by Section 99, entitles "the owner of a trade-mark registered" under the Act to an injunction

"according to the course and principles of equity to prevent the violation of any right of" such owner. This sweeping expression "any right" shows that the remedy of injunction may be invoked under the Act not only in ordinary cases of technical infringement where competing goods are sold by an infringer, not only in cases where actual use is made of the trade-mark on goods sold to purchasers, whether competing or non-competing with those of the trade-mark owner, but, in any and every case where any sort of unauthorized use of the trade-mark is shown and whether the action is brought in a Federal or State Court.

As this Court said in *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 at page 471:

> "* * * the right to be protected against an unwarranted use of the registered mark has been made a statutory right * * * Moreover, in view of this statutory right, it could not be considered necessary that the complainant in order to establish infringement should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such an intent. * * * Having duly registered under the Act, the complainant would be entitled to protection against any infringing use;"

In a suit to enjoin the infringement of a trade-mark registered under the Act, federal law will be applied.

> *Pecheur Lozenge Co. Inc.* v. *National Candy Co., Inc.*, 315 U. S. 666.

And upon application of federal law, judicial interference will depend on the facts proved and found.

> *American Foundries* v. *Robertson*, 269 U. S. 372.

B. The established federal law grants the owner of a registered trade-mark the right to restrain the unauthorized use of a trade-mark and to control its use by anyone else.

The right of an owner of a registered trade-mark to protect the good-will of which the trade-mark is the symbol, has been upheld to enable the owner of the trade-mark to protect his good-will from harm through acts having that effect upon the minds of the consuming public. And this right is retained by the owner of the trade-mark, notwithstanding that the commodity bearing the mark has been parted with.

This conclusion was arrived at by this Court in *Old Dearborn* v. *Seagram,* 299 U. S. 183; in upholding the constitutionality of the Illinois Fair Trade Act allowing the owner of a trade-mark to enforce uniform retail prices for his goods.

The Court stated at page 193:

> "The essence of the statutory violation then consists not in the bare disposition of the commodity, but in a forbidden use of the trade-mark, brand or name in accomplishing such disposition. The primary aim of the law is to protect the property—namely, the good-will—of the producer, which he still owns. The price restriction is adopted as an appropriate means to that perfectly legitimate end, and not as an end in itself."

Respondent has resorted to an "infringing use" of petitioner's trade-mark in a novel manner and by an ingenious method for the purpose of enhancing the prestige, effectiveness and marketability of its film "Primrose Path" without authority therefor and without regard to petitioner's rights and detrimental thereto. But although the tools are different the right invaded is the same.

A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants, and the protection of the trade-mark is the law's recognition of the psychological function of symbols. The value of the symbol, then, is pecuniary, and to augment the value thereof, the owner in his discretion may license the use of the trade-mark for any purpose. But such use and licensing is the exclusive right of the owner of the registered trade-mark and the right which is a corollary thereto is the right to direct the nature and purpose of the licensed use, in order to protect the property right of the owner in his trade-mark.

Speaking of the monopoly conferred by a trade-mark registered under the Act of 1905 this Court (by HOLMES, *J.*) in *Bourjois* v. *Katzel*, 260 U. S. 689, said, at p. 692:

> "It deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be protected with corresponding care."

The state court was bound to enforce the right invoked under the Act of 1905 to the same extent as a federal court:

> "Upon the state courts, equally with the courts of the Union, rests the obligation to guard and enforce every right secured by the Constitution and laws of the United States whenever those rights are involved in any suit or proceedings before them" (*U. S.* v. *Bank of New York Co.*, 296 U. S. 463, at p. 479).

While the statutory grant to the trade-mark owner of the right to an injunction is not, of course, absolute, but only "according to the course and principles of equity," the allegations of the complaint are clearly sufficient to show that this petitioner is entitled to it. Those allegations show that the respondent's use of the trade-mark was unauthorized, that it was injurious to the good-will of the

owner of the mark, and that there is no adequate remedy at law. These clearly bring the case within the "course and principles of equity" and render the statutory right to injunctive relief undeniable.

Conclusion

For the reasons set forth in the petition, this Court should review the decision of the Appellate Division of the Supreme Court of the State of New York, First Department.

New York City, December 23, 1942.

Respectfully submitted,

JOSEPH H. CHOATE, JR.,
WILLIAM BYRD,
MAURICE LÉON,
Counsel for Petitioner.

(28)

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No. 602

CARON CORPORATION,

Petitioner,

against

R. K. O. RADIO PICTURES, INC.,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE APPELLATE DIVISION OF THE SUPREME COURT OF THE STATE OF NEW YORK, FIRST DEPARTMENT

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RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Statement of the Case

The sole question sought to be presented for determination by this Court is whether petitioner's third amended complaint states a cause of action for trade-mark infringement. On each of the seven occasions when this question was passed upon by the New York State Supreme Court, said court, applying the well established principles of law as laid down by this Court and the New York Court of Appeals (which refused a review to the petitioner), has rejected petitioner's claim that a cause of action for trade-mark infringement is made out.

Nature of the Action

The action, instituted on March 20, 1940, is one to restrain respondent from exhibiting or distributing so much of the motion picture "Primrose Path" as shows one of

the characters in the picture making a gift of a bottle of plaintiff's perfume "Fleurs de Rocaille" to another character. Petitioner alleges that the scene complained of depicts "a squalid interior in a shack" in which a "common harlot" makes a gift of plaintiff's product to her mother an ex-harlot, a hag in appearance" in the presence of the daughter's husband, "a confirmed drunkard", and "also of the daughter's two young children" (R. 18). The only identification of petitioner's perfume alleged is that petitioner's "characteristic bottle" is visible for about three minutes in one scene (R. 20).

Petitioner's contention is that this brief showing of its trade-marked product involving a contrast between "the fastidious 'Fleurs de Rocaille' perfume, associated in the minds of the public with luxury and elegance, and two repulsive characters living in squalor" (R. 19) gives rise to a cause of action for trade-mark infringement.

Although the petitioner refers to the many prior proceedings had in this action, it is obvious that the review sought must be limited solely to the judgment of the Appellate Division which affirmed the determination of the New York Supreme Court at Special Term, dismissing the third amended complaint as insufficient. We submit that no issue is presented which this court should review.

Petitioner's Statement of "the Question Presented"

Petitioner argues that the determination of the State Court raises the question of whether the owner of registered trade-marks may sue in the State Court in equity to enjoin an unauthorized use of his trade-mark where there is no trade competition. There has never been any doubt but that the State Courts will enjoin the unauthorized use

of registered trade-marks where a case of infringement is made out. The sole question which has been determined by the State Court in the instant case has been that no cause of action for trade-mark infringement has been sufficiently pleaded by petitioner. Therefore, petitioner's discussion of the remedies available under the United States Trade-mark Act of 1905 for trade-mark infringement is in no way relevant and in no way involved. The question petitioner really seeks to have this court determine is whether petitioner may maintain an action to enjoin any use of a trade-marked article even where there is no showing of an infringement of the trade-mark.

Petitioner's Pleading Fails to Satisfy the Requisites of a Cause of Action for Trade-Mark Infringement as Frequently Enunciated by This Court; No Substantial or Novel Question Is Presented Justifying a Review by This Court

Nowhere in the complaint are to be found the elements of a cause of action for even unfair competition, much less trade-mark infringement. In unfair competition and trade-mark infringement cases, injunctive relief is granted to restrain deception or passing off. The rule of such cases is, of course, limited to those situations where one business concern, whether in direct competition with plaintiff or not, adopts plaintiff's name or trade-mark as designating *defendant's* product or business. This line of cases is frequently referred to as the "passing off" or "free ride" cases, where defendant tries to sell its product as being sponsored by or produced by the plaintiff and thus tries to gain benefit from the plaintiff's good-will surrounding its name and mark.

The cases cited and relied upon by plaintiff support that rule and nothing more.

Petitioner, apparently recognizing that its complaint fails to satisfy the elementary requisites of a cause of action for trade-mark infringement or even unfair competition, so often laid down by this court, turns to cases involving Fair Trade Acts. Obviously, petitioner derives no added rights from these Acts since it in no way comes within their provisions. Thus the case of *Old Dearborn* v. *Seagram*, 299 U. S. 183, which upheld the constitutionality of the Fair Trade Act of Illinois, has no bearing on the facts of the present case, for there this Court merely sustained the contention of the manufacturer that under said Fair Trade Act the manufacturer, could by contract, control the resale price of his products.

Bourjois & Co. Inc. v. *Katzel*, 260 U. S. 689, relied upon by the petitioner, is a case of trade-mark infringement where defendant used a mark closely simulating plaintiff's on the identical product and this Court approved the "passing off" or "free ride" doctrine which has long been established in the law of unfair competition.

This Court has frequently stated the principles applicable to trade-mark infringement and unfair competition cases. Indeed, in the case of *American Foundries* v. *Robertson*, 269 U. S. 372 relied upon by petitioner in support of the writ contains the following statement:

> "The law of trade-marks is but a part of the broader law of unfair competition" (*idem.*), the general purpose of which is to prevent one person from passing off his goods or his business as the goods or business of another".

Nothing in the present complaint purports to bring petitioner within this well established rule. *Nowhere is there*

any allegation, nor indeed could there be any showing, that the use of petitioner's trade-marked perfume product in the respondent's motion picture "Primrose Path" is such a use as constitutes any deception of the public or any passing off of respondent's picture as in any way connected with petitioner or its product or its business.

Nowhere in the instant case has there ever been any contention, much less any holding, that the State Court could not enjoin trade-mark infringement and grant other broad remedies if a cause of action for such were sufficiently made out. Respondent does not quarrel with petitioner's proposition that a trade-mark owner has broad remedies in equity for trade-mark infringement. However, as pointed out above the State Court in the instant case has on several occasions held that the essential elements of a cause of action for equitable relief as laid down by the decisions of this Court are lacking in petitioner's complaint.

Conclusion

The petition for writ of certiorari should be denied.

Respectfully submitted,

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JOHN F. HARDING
Of Counsel

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PETITIONER'S REPLY BRIEF

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MAURICE LÉON,
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PETITIONER'S REPLY BRIEF

The respondent's brief rests on the proposition that the owner of a trade-mark registered under the Act of Congress of February 20, 1905, has no rights enforceable by injunction save the right of preventing passing off; and that since respondent's motion picture is not passed off "as in any way connected with petitioner or its product or its business" (p. 5), no foundation for injunctive relief exists.

It is submitted that this view is not in keeping with the modern trend of jurisprudence which recognizes that the courts are not impotent to enjoin continuing injury to a good will symbolized by a trade-mark no matter how that injury is effected.

For example in *Varsity Sportswear* v. *Princess Fabrics Co.*, Sp. T. N. Y. Co., 1940, 174 Misc. (N. Y.) 298, pictorial trade-marks associated with such goods as Dutch Cleanser,

Maxwell House Coffee, Camel Cigarettes, Ballantine's Beer and Pontiac Motor Cars having been used with the permission of the owners of the trade-marks as fancy designs upon dress fabrics, an injunction was granted forbidding the use of the same pictorial trade-marks by a manufacturer of dress fabrics who had not obtained permission to reproduce them on his goods. This ruling the Court, expressly recognizing that the mere copying of the design—style piracy—gave rise to no cause of action, placed squarely upon the ground that "a trade-mark cannot be used without the consent of the owner" (at p. 300), and that unauthorized use, even on goods which the marks could not possibly have tended to pass off as the products of the trade-mark owners, was a wrong to them and therefore also a wrong to those whom they had authorized to use the marks. The Court, having no doubt whatever that

> "the maker of an automobile, for example, would be entitled to enjoin the use of his mark upon dress fabrics if he thought such use injurious to him * * *" (p. 304),

held that even one who is merely authorized by the owner to make such use may enjoin similar use when made by one without authority. The case is thus authority, *a fortiori,* for our contentions.

Respondent quotes (p. 4) a statement by this Court in *American Foundries* v. *Robertson,* 269 U. S. 372, that "the general purpose" of the law of trade-marks is to prevent one person from passing off his goods or his business as the goods or business of another. Starting from this correct premise, it does not follow that such is the only purpose of the law; yet this is exactly what respondent argues here.

A trade-mark protects not only the contents of a package, but also the container independently of the contents (*Elgin American Mfg. Co.* v. *Arden*, 83 F. 2nd 681, Ct. of C. & P. App. 1936).

Respondent's brief states erroneously at page 2:

> "The only identification of petitioner's perfume alleged is that petitioner's 'characteristic bottle' is visible for about three minutes in one scene" (R. 20).

The admitted fact is that during the three-minute period

> "plaintiff's trade-mark No. 318,041 shown on plaintiff's box and plaintiff's characteristic bottle of 'Fleurs de Rocaille' perfume is clearly visible" (R. 20).

It is the trade-mark registered under the Act, therefore, which is clearly visible, as well as the bottle and box on which it appears.

The dominant fact is that respondent has used petitioner's trade-mark in respondent's business for respondent's benefit without petitioner's consent and for the purpose of enhancing the saleability of respondent's goods at the expense of injury to petitioner's good will. It is not believed that failure by respondent to deal with this point will cause it to be overlooked by the Court. The same holds true of the agreement pursuant to which respondent obtained petitioner's container, an agreement formulated by respondent in its own words and which it violated by conduct amounting to fraud. Nor is there anything shown in support of the bald assertion that the question presented is neither substantial nor novel.

The respondent's contention that the case of *Old Dearborn* v. *Seagram*, 299 U. S. 183, applies only to situations

arising under the Fair Trade Acts and is, therefore, inapplicable here is without merit: the Court in passing upon the constitutionality of the Illinois Fair Trade Act found it necessary to determine as the foundation for its decision the nature of the rights of a trade-mark owner, holding specifically that outside the Act these rights included the right to prevent use of the mark without the owner's consent, even when such use involves no passing off or deceit of customers.

This holding was necessary to the decision because the statute took from the owner of property his right to sell it at his own price; and unless that right was limited by the trade-mark-owner's correlative right to prevent the use of the mark without his consent, the taking was clearly without due process of law. This right of the trade-mark-owner must have been deemed to exist outside of the Fair Trade Act, and not to have been created by it, since a statute which destroys one right by the creation of another, takes property without due process as clearly as one which simply destroys a right by direct fiat.

On this subject the Court said:

> "We are dealing here not with a commodity alone, but with a commodity plus the brand or trademark which it bears . . . Appellants own the commodity; they do not own the mark or the good will which the mark symbolizes . . . Good will is a valuable contributing aid to business—sometimes the most valuable contributing asset of the producer or distributor of commodities. And distinctive trademarks, labels and brands, are legitimate aids to the creation or enlargement of such good will" (at p. 194).

In the last analysis, respondent's contention amounts to saying that good will symbolized by a trade-mark may be impaired or destroyed by acts unauthorized by the trade-mark owner so long as this is done by use of the trade-mark, which although commercial and profitable, does not involve passing off. We submit that this is a doctrine which entails evil potentialities and which finds no support in the law.

Respectfully submitted,

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New York City, January 21, 1943.